

[Translation]

# Quarterly Report

(The First Quarter of 48th Business Term)

From April 1, 2020 to June 30, 2020

NIDEC CORPORATION

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| [Filing Date]                                 | August 7, 2020   |
| [Fiscal Year]                                 | The First Quarter of 48th Business Term (from April 1, 2020 to June 30, 2020)      |
| [Company Name]                                | Nihon Densan Kabushiki Kaisha  |
| [Company Name in English]                     | NIDEC CORPORATION  |
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This is an English translation of the Quarterly Report filed with the Director-General of the Kanto Local Finance Bureau via Electronic Disclosure for Investors’ NETwork (“EDINET”) pursuant to the Financial Instruments and Exchange Act of Japan.

In this document, the terms “we”, “us”, “our” and “NIDEC” refer to Nidec Corporation and consolidated subsidiaries or, as the context may require, Nidec Corporation on a non-consolidated basis and the “Company” refers to Nidec Corporation on a non-consolidated basis.

References in this document to the “Financial Instruments and Exchange Act” are to the Financial Instruments and Exchange Act of Japan and other laws and regulations amending and/or supplementing the Financial Instruments and Exchange Act of Japan.

# Part I Information on the Company

## I. Overview of the Company

### 1. Key Financial Data

(Yen in millions, unless otherwise indicated)

|  | For the three months ended June 30, |           | For the year ended<br>March 31, 2020 |
|--|-------------------------------------|-----------|--------------------------------------|
|  | 2019                                | 2020      |                                      |
| Net sales  | 360,874                             | 336,876   | 1,534,800                            |
| Profit before income taxes   | 30,935                              | 27,730    | 105,691                              |
| Profit attributable to owners of the parent                                    | 3,284                               | 20,284    | 58,834                               |
| Comprehensive income attributable to owners of the parent                      | (31,198)                            | 20,269    | 4,927                                |
| Total equity attributable to owners of the parent                              | 948,801                             | 950,147   | 947,665                              |
| Total assets   | 1,872,322                           | 2,081,162 | 2,117,428                            |
| Earnings per share attributable to owners of the parent - basic (yen)          | 5.58                                | 34.63     | 100.00                               |
| Earnings per share attributable to owners of the parent - diluted (yen)        | -                                   | -         | -                                    |
| Ratio of total equity attributable to owners of the parent to total assets (%) | 50.7                                | 45.7      | 44.8                                 |
| Net cash provided by operating activities                                      | 32,723                              | 22,435    | 168,049                              |
| Net cash used in investing activities  | (42,660)                            | (27,647)  | (311,513)                            |
| Net cash provided by (used in) financing activities                            | 11,483                              | (13,058)  | 128,546                              |
| Cash and cash equivalents at end of period                                     | 235,024                             | 185,736   | 206,986                              |

- (Notes) 1. The financial data above are based on the condensed quarterly consolidated financial statements and consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS).
2. As the Company prepares its condensed quarterly consolidated financial statements, its non-consolidated financial data are not presented.
3. Figures shown in yen in millions are rounded to the nearest million.
4. "Net sales" do not include consumption taxes.
5. "Earnings per share attributable to owners of the parent - basic" and "Earnings per share attributable to owners of the parent - diluted" have been calculated based on figures of "Profit attributable to owners of the parent". "Earnings per share attributable to owners of the parent - diluted" are not presented because there were no securities with dilutive effect.
6. NIDEC finalized a part or all of the provisional accounting treatment for the business combination in the year ended March 31, 2020 and the three months ended June 30, 2020. Condensed quarterly consolidated financial statements and consolidated financial statements for the year ended March 31, 2020 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination. Details regarding for the three months ended June 30, 2020 are stated in "IV. Condensed Quarterly Consolidated Financial Statements and Other Information, 1. Condensed Quarterly Consolidated Financial Statements, Notes to Condensed Quarterly Consolidated Financial Statements, 7. Business combinations".
7. From the three months ended June 30, 2019, the business of compressor for refrigerator of Secop has been classified as discontinued operations. As a result, the amounts of net sales and profit before income taxes no longer include discontinued operations, presenting only the amounts for continuing operations.
8. NIDEC implemented a two-for-one stock split on our common stock effective April 1, 2020. Earnings per share was calculated on the assumption that the relevant stock split had been implemented at the beginning of the previous fiscal year ended March 31, 2020.

## **2. Description of Business**

There were no significant changes in NIDEC's businesses during the three months ended June 30, 2020.

The reporting segment classification was changed. For details, please refer to "IV. Condensed Quarterly Consolidated Financial Statements and Other Information, 1. Condensed Quarterly Consolidated Financial Statements, Notes to Condensed Quarterly Consolidated Financial Statements 5. Segment Information".

## **II. Business Overview**

### **1. Risk Factors**

There were no new risk factors recognized during the three months ended June 30, 2020. There were no material changes in the risk factors stated in the annual securities report for the previous fiscal year pursuant to the Financial Instruments and Exchange Act of Japan.

### **2. Management Analysis of Financial Position, Operating Results and Cash Flows**

Forward-looking statements below were determined as of June 30, 2020.

NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2020. Condensed quarterly consolidated financial statements for the three months ended June 30, 2019 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

From the three months ended June 30, 2019, the business of compressor for refrigerator of Secop has been classified as discontinued operations. As a result, the amounts of net sales, operating profit and profit before income taxes no longer include discontinued operations, presenting only the amounts for continuing operations. Details are stated in "IV. Condensed Quarterly Consolidated Financial Statements and Other Information, 1. Condensed Quarterly Consolidated Financial Statements, Notes to Condensed Quarterly Consolidated Financial Statements, 6. Discontinued Operations".

#### **(1) Operating results**

At the beginning of the year ending March 31, 2021, the world economy was in a global recession due to the spread of the new coronavirus (COVID-19), and the IMF forecasts that the global growth in 2020 will fall to -4.9%, the worst downturn since the Great Depression of the 1930s. Developed countries have implemented huge economic stimulus packages such as cash benefits to households, financial support for companies and others, and major central banks have also supported with huge funds to prevent a further deterioration of the economy, though the world economic outlook remains uncertain due to fears of a second wave of COVID-19 infection and large-scale bankruptcies of companies caused by financial market turmoil, and risk factors related to the US-China tensions over trade, the Hong Kong problem and others.

The following table sets forth consolidated operating results for the three months ended June 30, 2020:

*(Yen in millions)*

|  | For the three months ended June 30, |         | Increase or decrease | Ratio of change |
|--|-------------------------------------|---------|----------------------|-----------------|
|  | 2019                                | 2020    |                      |                 |
| Net sales  | 360,874                             | 336,876 | (23,998)             | (6.6)%          |
| Operating profit                                 | 27,632                              | 28,112  | 480                  | 1.7%            |
| Operating profit ratio                           | 7.7%                                | 8.3%    | -                    | -               |
| Profit before income taxes                       | 30,935                              | 27,730  | (3,205)              | (10.4)%         |
| Profit for the period from continuing operations | 23,677                              | 20,687  | (2,990)              | (12.6)%         |
| Loss for the period from discontinued operations | (19,781)                            | (74)    | 19,707               | -               |
| Profit attributable to owners of the parent      | 3,284                               | 20,284  | 17,000               | 517.7%          |

Consolidated net sales from continuing operations decreased 6.6% to ¥336,876 million for the three months ended June 30, 2020 (“this three-month period”), compared to the three months ended June 30, 2019 (“the same period of the prior year”). Operating profit increased 1.7% to ¥28,112 million for this three-month period compared to the same period of the prior year mainly due to thorough manufacturing cost improvement, fixed cost rationalization, and others through WPR4 Project, despite the decrease in profits due to the decrease in sales.

Profit before income taxes decreased 10.4% to ¥27,730 million and profit for the period from continuing operations decreased 12.6% to ¥20,687 million compared to the same period of the prior year, respectively.

Profit attributable to owners of the parent, including loss for the period from discontinued operations, was ¥20,284 million, 6.2 times higher than the same period of the prior year, due to the loss related to sales of the business of compressor for refrigerator of Secop and others of the prior year.

The following table sets forth operating results by segment:

(Yen in millions)

|                       | For the three months ended June 30, |          |                      |                         |         |                      |
|-----------------------|-------------------------------------|----------|----------------------|-------------------------|---------|----------------------|
|                       | Net sales                           |          |                      | Operating profit (loss) |         |                      |
|                       | 2019                                | 2020     | Increase or decrease | 2019                    | 2020    | Increase or decrease |
| SPMS                  | 86,972                              | 87,429   | 457                  | 7,967                   | 13,392  | 5,425                |
| AMEC                  | 50,314                              | 27,201   | (23,113)             | 3,417                   | (1,632) | (5,049)              |
| ACIM                  | 100,260                             | 109,714  | 9,454                | 5,366                   | 6,554   | 1,188                |
| Nidec Sankyo          | 36,991                              | 29,221   | (7,770)              | 2,476                   | 1,956   | (520)                |
| Nidec Techno Motor    | 24,065                              | 16,361   | (7,704)              | 3,309                   | 2,410   | (899)                |
| Nidec Mobility        | –                                   | 13,906   | 13,906               | –                       | 127     | 127                  |
| Nidec Shimpo          | 18,889                              | 17,013   | (1,876)              | 2,634                   | 2,113   | (521)                |
| Others                | 63,601                              | 48,830   | (14,771)             | 7,419                   | 6,170   | (1,249)              |
| Elimination/corporate | (20,218)                            | (12,799) | 7,419                | (4,956)                 | (2,978) | 1,978                |
| Consolidated total    | 360,874                             | 336,876  | (23,998)             | 27,632                  | 28,112  | 480                  |

(Notes) 1. Net sales are the total of sales to external customers and sales to other operating segments.

2. NIDEC has changed its reporting segment classification in the three months ended June 30, 2020. For details, please refer to “ IV. Condensed Quarterly Consolidated Financial Statements and Other Information, 1. Condensed Quarterly Consolidated Financial Statements, Notes to Condensed Quarterly Consolidated Financial Statements 5. Segment Information”.

3. From the three months ended June 30, 2019, the business of compressor for refrigerator of Secop, which was included in ACIM, has been classified as discontinued operations.

Net sales of SPMS increased ¥457 million to ¥87,429 million for this three-month period compared to the same period of the prior year. This increase was due to an increase in sales of other small precision motors, despite a decrease in sales of hard disk drives spindle motors. Operating profit increased ¥5,425 million to ¥13,392 million for this three-month period compared to the same period of the prior year. This increase was due to manufacturing cost improvement.

Net sales of AMEC decreased ¥23,113 million to ¥27,201 million for this three-month period compared to the same period of the prior year. This decrease was due to significant decrease in sales of actuator products of Nidec Motors & Actuators in global demand. Operating profit(loss) was ¥1,632 million operating loss for this three-month period. This decrease was due to a decrease in sales and an increase in advanced development cost.

Net sales of ACIM increased ¥9,454 million to ¥109,714 million for this three-month period compared to the same period of the prior year. This increase was due to the impact of the acquisition of Embraco. Operating profit increased ¥1,188 million to ¥6,554 million for this three-month period compared to the same period of the prior year. This increase was due to manufacturing cost improvement and fixed cost rationalization.

Net sales of Nidec Sankyo decreased ¥7,770 million to ¥29,221 million for this three-month period compared to the same period of the prior year. This decrease was due to a decrease in sales of other small precision motors and LCD panel handling robots. Operating profit decreased ¥520 million to ¥1,956 million for this three-month period compared to the same period of the prior year. This decrease was due to a decrease in sales.

Net sales of Nidec Techno Motor decreased ¥7,704 million to ¥16,361 million for this three-month period compared to the same period of the prior year. This decrease was due to a decrease in sales of motors for air conditioning equipment in China. Operating profit decreased ¥899 million to ¥2,410 million for this three-month period compared to the same period of the prior year. This decrease was due to a decrease in sales, despite manufacturing cost improvement and fixed cost rationalization.

Net sales of Nidec Mobility was ¥13,906 million for this three-month period. Operating profit was ¥127 million for this three-month period. Following the acquisition of OMRON Automotive Electronics Co.Ltd. in the three month ended December 31, 2019, which is newly included as a reporting segment from the three month ended June 30, 2020.

Net sales of Nidec Shimpo decreased ¥1,876 million to ¥17,013 million for this three-month period compared to the same period of the prior year. This decrease was due to a decrease in sales of speed reducers and press machines. Operating profit decreased ¥521 million to ¥2,113 million for this three-month period compared to the same period of the prior year. This decrease was due to a decrease in sales and the transfer of the sales rights of some businesses.

With respect to the Others segment, net sales decreased ¥14,771 million to ¥48,830 million for this three-month period compared to the same period of the prior year. This decrease was due to a decrease in sales of other small precision motors, automotive products and other products. Operating profit decreased ¥1,249 million to ¥6,170 million for this three-month period compared to the same period of the prior year. This decrease was due to a decrease in sales.

Operating results by product category are as follows:

(Yen in millions)

|   | For the three months ended June 30, |         |                      |                  |         |                      |
|---|-------------------------------------|---------|----------------------|------------------|---------|----------------------|
|   | Net sales                           |         |                      | Operating profit |         |                      |
|   | 2019                                | 2020    | Increase or decrease | 2019             | 2020    | Increase or decrease |
| Small precision motors                        | 108,006                             | 104,418 | (3,588)              | 10,494           | 14,283  | 3,789                |
| Automotive products                           | 75,488                              | 56,797  | (18,691)             | 6,767            | 61      | (6,706)              |
| Appliance, commercial and industrial products | 123,009                             | 125,096 | 2,087                | 8,675            | 8,967   | 292                  |
| Machinery                                     | 38,086                              | 35,729  | (2,357)              | 5,307            | 6,181   | 874                  |
| Electronic and optical components             | 15,170                              | 14,086  | (1,084)              | 1,291            | 1,496   | 205                  |
| Other products                                | 1,115                               | 750     | (365)                | 188              | 84      | (104)                |
| Elimination/corporate                         | -                                   | -       | -                    | (5,090)          | (2,960) | 2,130                |
| Consolidated total                            | 360,874                             | 336,876 | (23,998)             | 27,632           | 28,112  | 480                  |

(Note) From the three months ended June 30, 2019, the business of compressor for refrigerator of Secop has been classified as discontinued operations in appliance, commercial and industrial products.

In small precision motors, NIDEC is focusing on creating new demands based on our technical advantages through Three-new Strategy and improving profitability based on our competitive advantages. Net sales of small precision motors decreased 3.3% to ¥104,418 million for this three-month period compared to the same period of the prior year. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥2,000 million for this three-month period compared to the same period of the prior year. Net sales of spindle motors for HDDs decreased 2.5% to ¥37,043 million for this three-month period compared to the same period of the prior year. The number of units sold of spindle motors for HDDs decreased approximately 19.1% compared to the same period of the prior year. Net sales of other small precision motors decreased 3.7% to ¥67,375 million for this three-month period compared to the same period of the prior year. Operating profit of this category increased 36.1% to ¥14,283 million for this three-month period compared to the same period of the prior year, mainly due to thorough manufacturing cost improvement and others. The fluctuations of the foreign currency exchange rates had a negative effect on

operating profit of this category by approximately ¥200 million for this three-month period compared to the same period of the prior year.

NIDEC has been engaged in research and development of the automotive products with the aim of providing high-value-added modules for driving motors for EVs and PHEVs, drawing on our core motor technology and advanced technology. NIDEC is focusing on expanding our product lineup in order to respond to a variety of vehicle model configurations, in preparation for the coming demand generated by the development of electric vehicles. Net sales of automotive products decreased 24.8% to ¥56,797 million for this three-month period compared to the same period of the previous year. This decrease is due to significant decrease in sales of actuator products of Nidec Motors & Actuators and control valves of Nidec Tosok Corporation and others due to a decrease in global demand, while there is the impact of the acquisition of OMRON Automotive Electronics Co. Ltd. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥1,200 million for this three-month period compared to the same period of the previous year. Operating profit of this category decreased 99.1% to ¥61 million for this three-month period compared to the same period of the prior year, due to the continuous inclusion of development costs for traction motor systems (E-Axle) and others, whose demand is expanding rapidly, amid the sharp decline in sales, while improving all manufacturing costs through WPR4 Project with our total efforts. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥300 million for this three-month period compared to the same period of the previous year.

NIDEC is focusing on the pursuit of synergistic effects in both sales and costs and improving profitability in the appliance, commercial and industrial products as key growth businesses. Net sales of appliance, commercial and industrial products increased 1.7% to ¥125,096 million for this three-month period compared to the same period of the prior year, primarily due to the impact of the acquisition of Embraco. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥2,600 million for this three-month period compared to the same period of the previous year. Operating profit of this category increased 3.4% to ¥8,967 million for this three-month period compared to the same period of the previous year, mainly due to manufacturing cost improvement and fixed cost rationalization. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by ¥26 million for this three-month period compared to the same period of the previous year.

In machinery, NIDEC is improving profitability by enhancing speed reducers production capacity for small robots due to expanding demand of speed reducers. Net sales of machinery decreased 6.2% to ¥35,729 million for this three-month period compared to the same period of the previous year, due to lower sales in LCD panel handling robots and other products and other factors. Operating profit of this category increased 16.5% to ¥6,181 million for this three-month period compared to the same period of the previous year, due to the effect of manufacturing cost improvement and fixed cost rationalization, despite a decrease in profit due to the decrease in sales.

Net sales of electronic and optical components decreased 7.1% to ¥14,086 million for this three-month period compared to the same period of the previous year. Operating profit of this category increased 15.9% to ¥1,496 million for this three-month period compared to the same period of the previous year, due to manufacturing cost improvement and fixed cost rationalization, despite a decrease in profit due to the decrease in sales.

Net sales of other products decreased 32.7% to ¥750 million and operating profit of this category decreased 55.3% to ¥84 million for this three-month period compared to the same period of the prior year.

## (2) Financial position

Total assets decreased ¥36,266 million to ¥2,081,162 million as of June 30, 2020 compared to March 31, 2020. This was mainly due to decreases of ¥21,250 million in cash and cash equivalents, and ¥20,776 million in trade and other receivables.

Total liabilities decreased ¥39,070 million to ¥1,110,350 million as of June 30, 2020 compared to March 31, 2020. This was mainly due to a decrease of ¥46,862 million in trade and other payables, though there was an increase of ¥8,107 million in interest-bearing debt. Specifically, short term borrowings increased ¥6,762 million to ¥123,716 million, long term debt due within one year decreased ¥50,356 million to ¥61,470 million and long term debt increased ¥51,701 million to ¥422,700 million as of June 30, 2020 compared to March 31, 2020.

Total equity attributable to owners of the parent increased ¥2,482 million to ¥950,147 million as of June 30, 2020 compared to March 31, 2020. Ratio of total equity attributable to owners of the parent to total assets increased to 45.7% as of June 30, 2020 from 44.8% as of March 31, 2020. This was mainly due to an increase in retained earnings of ¥4,235 million, though there was a decrease in other components of equity of ¥1,676 million.

### (3) Cash flows

#### (Cash flows from operating activities)

Net cash provided by operating activities decreased ¥10,288 million to ¥22,435 million for this three-month period compared to the same period of the prior year. This decrease in net cash provided by operating activities was mainly due to decreases in accounts payable net changes year on year of ¥22,436 million and in other, net changes year on year of ¥12,433 million. On the other hand, there were increase in accounts receivable net changes year on year of ¥26,517 million.

For the three months ended June 30, 2020, NIDEC had ¥22,435 million of net cash inflows provided by operating activities primarily due to profit for the period of ¥20,613 million, depreciation and amortization of ¥23,658 million and a decrease in accounts receivable of ¥16,133 million. On the other hand, there were a decrease in accounts payable of ¥20,424 million, an increase in inventories of ¥5,394 million and a decrease in other, net of ¥11,783 million. Accounts receivable decreased primarily due to a decrease in sales for the three months ended June 30, 2020 compared to the previous three months ended March 31, 2020.

For the three months ended June 30, 2019, NIDEC had ¥32,723 million of net cash inflows provided by operating activities primarily due to profit for the period of ¥3,896 million and an increase in accounts payable of ¥2,012 million. On the other hand, there were an increase in accounts receivable of ¥10,384 million and an increase in inventories of ¥4,133 million. Accounts receivable increased primarily due to an increase in sales for the three months ended June 30, 2019 compared to the previous three months ended March 31, 2019.

#### (Cash flows from investing activities)

Net cash used in investing activities decreased ¥15,013 million to ¥27,647 million for this three-month period compared to the same period of the prior year. The decrease in net cash used in investing activities was mainly due to a decrease in additions to property, plant and equipment of ¥13,799 million.

For the three months ended June 30, 2020, NIDEC had ¥27,647 million of net cash outflows in investing activities mainly due to additions to property, plant and equipment of ¥25,497 million.

For the three months ended June 30, 2019, NIDEC had ¥42,660 million of net cash outflows in investing activities mainly due to additions to property, plant and equipment of ¥39,296 million.

#### (Cash flows from financing activities)

Net cash provided by financing activities decreased ¥24,541 million to ¥13,058 million for this three-month period compared to the same period of the prior year. This decrease was mainly due to decrease in net cash inflow from short term borrowing of ¥23,548 million.

For the three months ended June 30, 2020, NIDEC had ¥13,058 million of net cash outflows from financing activities mainly due to dividends paid to the owners of the parent of ¥17,573 million. On the other hand, there was an increase in short term borrowings of ¥6,703 million.

For the three months ended June 30, 2019, NIDEC had ¥11,483 million of net cash inflows from financing activities mainly due to an increase in short term borrowing of ¥30,251 million. On the other hand, there was dividends paid to the owners of the parent of ¥16,186 million.

As a result of the foregoing factors and the effect of exchange rate changes, NIDEC's total outstanding balance of cash and cash equivalents decreased ¥21,250 million from ¥206,986 million as of March 31, 2020 to ¥185,736 million as of June 30, 2020.

The main currencies we had as of June 30, 2020 were U.S. dollars, Chinese yuan, Thai baht, Japanese yen and Euros. All the above amounts include discontinued operations.

### (4) Research and development

NIDEC's research and development expenses for the three months ended June 30, 2020 were 15,095 million. There were no significant changes in research and development activities for the period.

(5) Production, Orders Received and Sales

Production, orders received and sales of "Nidec Mobility Corporation" segment for the three months ended June 30, 2020 increased compared to the three months ended June 30, 2019 with the acquisition of OMRON Automotive Electronics Co.Ltd. in the three month ended December 31, 2019, which is newly included as a reporting segment from the three month ended June 30, 2020.

(6) Major property, plant and equipment

In the three months ended June 30, 2020, among the new construction plans of major property, plant and equipment as of March 31, 2020, the scheduled completion date of construction of the manufacturing factory of Nidec Motor Corporation which is to manufacture appliance, commercial and industrial products has been updated to September 2020.

**3. Material Agreements, etc.**

During the three months ended June 30, 2020, there were no decisions or executions regarding material agreements, etc.

### **III. Information on the Company**

#### ***1. Information on the Company's Shares, etc.***

(1) Total number of shares, etc.

1) Total number of shares

| Class          | Total number of shares authorized to be issued (Shares) |
|----------------|---|
| Ordinary share | 1,920,000,000   |
| Total          | 1,920,000,000   |

2) Issued shares

| Class          | Number of shares issued as of the end of first quarter (Shares) (June 30, 2020) | Number of shares issued as of the filing date (Shares) (August 7, 2020) | Stock exchange on which the Company is listed or authorized financial instruments firms association where the Company is registered | Description   |
|----------------|---|---|---|---|
| Ordinary share | 596,284,468   | 596,284,468   | Tokyo Stock Exchange, Inc. (the first section)  | This is our standard share. There is no restriction on contents of the right of the share. The number of shares per one unit of shares is 100 shares. |
| Total          | 596,284,468   | 596,284,468   | -   | -   |

(2) Information on the share acquisition rights, etc.

1) Details of share option plans

Not applicable.

2) Other information about share acquisition rights

Not applicable.

(3) Information on moving strike convertible bonds, etc.

Not applicable.

(4) Changes in the total number of issued shares, common stock, etc.

| Date               | Change in the total number of issued shares (Shares) | Balance of the total number of issued shares (Shares) | Change in common stock (Yen in millions) | Balance of common stock (Yen in millions) | Change in capital reserve (Yen in millions) | Balance of capital reserve (Yen in millions) |
|--------------------|--|---|--|---|---|--|
| April 1, 2020 (*1) | 298,142,234  | 596,284,468   | -  | 87,784                                    | -   | 92,005                                       |

(Note) \*1. Change due to share split (1:2).

(5) Major shareholders

Not applicable.

(6) Information on voting rights

Information on voting rights as of March 31, 2020 is stated in this item because the Company cannot identify the number of voting rights as of June 30, 2020 due to the lack of information on the details entered in the shareholders registry as of June 30, 2020.

1) Issued shares

(As of June 30, 2020)

| Classification  | Number of shares (Shares)  | Number of voting rights | Description |
|---|----------------------------|-------------------------|-------------|
| Shares without voting rights                                | -                          | -                       | -           |
| Shares with restricted voting rights (treasury stock, etc.) | -                          | -                       | -           |
| Shares with restricted voting rights (others)               | -                          | -                       | -           |
| Shares with full voting rights (treasury stock, etc.)       | Ordinary share 5,184,000   | -                       | -           |
| Shares with full voting rights (others)                     | Ordinary share 292,513,200 | 2,925,132               | -           |
| Shares less than one unit                                   | Ordinary share 445,034     | -                       | -           |
| Number of issued shares                                     | 298,142,234                | -                       | -           |
| Total number of voting rights                               | -                          | 2,925,132               | -           |

(Notes) 1. The “Shares with full voting rights (others)” row includes 35,500 shares registered in the name of Japan Securities Depository Center (“JASDEC”) and the “Number of voting rights” column includes 355 voting rights for those shares. The “Shares with full voting rights (others)” row includes 200 shares registered in the name of Nidec-Shimpo Corporation (shares that were not registered when the shares were exchanged with the Company on October 1, 2003) and the “Number of voting rights” column includes 2 voting rights for those shares. Nidec-Shimpo Corporation does not substantially own the 200 shares (2 voting rights) registered in its name.

- Ordinary shares in the “Shares less than one unit” row include 17 shares of the Company’s treasury stock.
- Ordinary shares in the “Shares with full voting rights (others)” row include 59,600 shares (596 voting rights) of the BIP Trust and 21,600 shares (216 voting rights) of the ESOP Trust.
- NIDEC implemented a two-for-one common stock split, effective April 1, 2020. The above figures are based on the number of shares before the split.

2) Treasury stock, etc.

(As of June 30, 2020)

| Name of shareholder | Address                                 | Number of shares held under own name (Shares) | Number of shares held under the name of others (Shares) | Total number of shares held (Shares) | Ownership percentage to the total number of issued shares (%) |
|---------------------|---|---|---|--------------------------------------|---|
| Nidec Corporation   | 338 Kuzetonoshiro-cho, Minami-ku, Kyoto | 5,184,000                                     | -   | 5,184,000                            | 1.73  |
| Total               | -                                       | 5,184,000                                     | -   | 5,184,000                            | 1.73  |

(Notes) 1. NIDEC implemented a two-for-one common stock split, effective April 1, 2020. The above figures are based on the number of shares before the split.

- The number of shares held under own name (except for shares less than one unit) is 10,388,500, as of June 30, 2020.
- The Company’s shares owned by the BIP Trust and the ESOP Trust are not included in the above treasury stock.

## 2. Members of the Board of Directors

There were no changes in Members of the Board of Directors of Nidec Corporation from the filing date of the Annual Securities Report for the previous fiscal year pursuant to the Financial Instruments and Exchange Act of Japan to June 30, 2020.

#### **IV. Condensed Quarterly Consolidated Financial Statements and Other Information**

##### ***1. Condensed Quarterly Consolidated Financial Statements***

###### **(1) Condensed Quarterly Consolidated Statements of Financial Position**

*(Yen in millions)*

|   | Note | As of March 31,<br>2020 | As of June 30,<br>2020 |
|---|------|-------------------------|------------------------|
| Assets  |      |                         |                        |
| Current assets                                    |      |                         |                        |
| Cash and cash equivalents                         |      | 206,986                 | 185,736                |
| Trade and other receivables                       |      | 394,259                 | 373,483                |
| Other financial assets                            | 14   | 913                     | 1,551                  |
| Income tax receivables                            |      | 12,885                  | 13,761                 |
| Inventories                                       |      | 278,185                 | 282,843                |
| Other current assets                              |      | 40,309                  | 44,488                 |
| Total current assets                              |      | 933,537                 | 901,862                |
| Non-current assets                                |      |                         |                        |
| Property, plant and equipment                     |      | 630,380                 | 631,264                |
| Goodwill  | 8    | 322,909                 | 320,913                |
| Intangible assets                                 | 8    | 177,390                 | 176,947                |
| Investments accounted for using the equity method |      | 3,294                   | 3,111                  |
| Other investments                                 | 14   | 14,479                  | 14,895                 |
| Other financial assets                            | 14   | 6,888                   | 7,437                  |
| Deferred tax assets                               |      | 18,274                  | 14,789                 |
| Other non-current assets                          |      | 10,277                  | 9,944                  |
| Total non-current assets                          |      | 1,183,891               | 1,179,300              |
| Total assets                                      |      | 2,117,428               | 2,081,162              |

*(Yen in millions)*

|   | Note | As of March 31,<br>2020 | As of June 30,<br>2020 |
|---|------|-------------------------|------------------------|
| <b>Liabilities</b>                                |      |                         |                        |
| Current liabilities                               |      |                         |                        |
| Short term borrowings                             | 14   | 116,954                 | 123,716                |
| Long term debt due within one year                | 14   | 111,826                 | 61,470                 |
| Trade and other payables                          |      | 345,193                 | 298,331                |
| Other financial liabilities                       | 14   | 9,109                   | 8,105                  |
| Income tax payables                               |      | 18,726                  | 17,730                 |
| Provisions  |      | 30,339                  | 30,189                 |
| Other current liabilities                         |      | 64,884                  | 70,523                 |
| Total current liabilities                         |      | 697,031                 | 610,064                |
| Non-current liabilities                           |      |                         |                        |
| Long term debt                                    | 14   | 370,999                 | 422,700                |
| Other financial liabilities                       | 14   | 4,085                   | 2,322                  |
| Retirement benefit liabilities                    |      | 31,077                  | 31,241                 |
| Provisions  |      | 942                     | 877                    |
| Deferred tax liabilities                          |      | 40,653                  | 38,202                 |
| Other non-current liabilities                     |      | 4,633                   | 4,944                  |
| Total non-current liabilities                     |      | 452,389                 | 500,286                |
| Total liabilities                                 |      | 1,149,420               | 1,110,350              |
| <b>Equity</b>                                     |      |                         |                        |
| Common stock                                      |      | 87,784                  | 87,784                 |
| Additional paid-in capital                        |      | 114,754                 | 114,775                |
| Retained earnings                                 |      | 924,668                 | 928,903                |
| Other components of equity                        |      | (115,791)               | (117,467)              |
| Treasury stock                                    |      | (63,750)                | (63,848)               |
| Total equity attributable to owners of the parent |      | 947,665                 | 950,147                |
| Non-controlling interests                         |      | 20,343                  | 20,665                 |
| Total equity                                      |      | 968,008                 | 970,812                |
| Total liabilities and equity                      |      | 2,117,428               | 2,081,162              |

(2) Condensed Quarterly Consolidated Statements of Income  
and Condensed Quarterly Consolidated Statements of Comprehensive Income  
For the three months ended June 30, 2019 and 2020  
Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

|  | Note | For the three months ended June 30,<br>2019 | 2020      |
|--|------|---|-----------|
| Continuing operations  |      |   |           |
| Net Sales  | 5    | 360,874                                     | 336,876   |
| Cost of sales  |      | (281,145)                                   | (263,621) |
| Gross profit   |      | 79,729                                      | 73,255    |
| Selling, general and administrative expenses                                 |      | (33,443)                                    | (30,048)  |
| Research and development expenses  |      | (18,654)                                    | (15,095)  |
| Operating profit   | 5    | 27,632                                      | 28,112    |
| Financial income   |      | 2,991                                       | 1,424     |
| Financial expenses   |      | (2,301)                                     | (1,678)   |
| Derivative gain (loss)   |      | (1,054)                                     | (165)     |
| Foreign exchange differences   |      | 3,962                                       | 208       |
| Share of net profit (loss) from associate accounting using the equity method |      | (295)                                       | (171)     |
| Profit before income taxes   |      | 30,935                                      | 27,730    |
| Income tax expenses  |      | (7,258)                                     | (7,043)   |
| Profit for the period from continuing operations                             |      | 23,677                                      | 20,687    |
| Discontinued operations  |      |   |           |
| Loss for the period from discontinued operations                             | 6    | (19,781)                                    | (74)      |
| Profit for the period  |      | 3,896                                       | 20,613    |
| Profit for the period attributable to:                                       |      |   |           |
| Owners of the parent   |      | 3,284                                       | 20,284    |
| Non-controlling interests  |      | 612   | 329       |
| Profit for the period  |      | 3,896                                       | 20,613    |
| Earnings (loss) per share attributable to owners of the parent               |      |   |           |
| Basic (yen)  |      |   |           |
| Continuing operations  |      | 39.19                                       | 34.76     |
| Discontinued operations  |      | (33.61)                                     | (0.13)    |
| Total  |      | 5.58  | 34.63     |

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

|  | Note | For the three months ended June 30, |         |
|--|------|-------------------------------------|---------|
|  |      | 2019                                | 2020    |
| Profit for the period  |      | 3,896                               | 20,613  |
| Other comprehensive income, net of taxation                        |      |                                     |         |
| Items that will not be reclassified to net profit or loss:         |      |                                     |         |
| Remeasurement of defined benefit plans                             |      | (983)                               | (48)    |
| Fair value movements on FVTOCI equity financial assets             |      | (315)                               | 516     |
| Items that may be reclassified to net profit or loss:              |      |                                     |         |
| Foreign currency translation adjustments                           |      | (33,798)                            | (3,152) |
| Effective portion of net changes in fair value of cash flow hedges |      | (120)                               | 2,702   |
| Fair value movements on FVTOCI debt financial assets               |      | 1                                   | 17      |
| Total other comprehensive income for the period, net of taxation   |      | (35,215)                            | 35      |
| Comprehensive income for the period                                |      | (31,319)                            | 20,648  |
| Comprehensive income for the period attributable to:               |      |                                     |         |
| Owners of the parent   |      | (31,198)                            | 20,269  |
| Non-controlling interests  |      | (121)                               | 379     |
| Comprehensive income for the period                                |      | (31,319)                            | 20,648  |

**(3) Condensed Quarterly Consolidated Statements of Changes in Equity**

For the three months ended June 30, 2019

(Yen in millions)

|  | Note | Total equity attributable to owners of the parent |                            |                   |                            |                |          | Non-controlling interests | Total equity |
|--|------|---|----------------------------|-------------------|----------------------------|----------------|----------|---------------------------|--------------|
|  |      | Common Stock                                      | Additional paid-in capital | Retained earnings | Other components of equity | Treasury stock | Total    |                           |              |
| Balance at April 1, 2019   |      | 87,784  | 118,314                    | 900,768           | (64,775)                   | (45,296)       | 996,795  | 22,834                    | 1,019,629    |
| Changes in accounting policies                                       |      |   |                            | (407)             |                            |                | (407)    |                           | (407)        |
| Balance after restatement  |      | 87,784  | 118,314                    | 900,361           | (64,775)                   | (45,296)       | 996,388  | 22,834                    | 1,019,222    |
| Comprehensive income   |      |   |                            |                   |                            |                |          |                           |              |
| Profit for the period  |      |   |                            | 3,284             |                            |                | 3,284    | 612                       | 3,896        |
| Other comprehensive income   |      |   |                            |                   | (34,482)                   |                | (34,482) | (733)                     | (35,215)     |
| Total comprehensive income   |      |   |                            |                   |                            |                | (31,198) | (121)                     | (31,319)     |
| Transactions with owners directly recognized in equity:              |      |   |                            |                   |                            |                |          |                           |              |
| Purchase of treasury stock   |      |   |                            |                   |                            | (6)            | (6)      | -                         | (6)          |
| Dividends paid to the owners of the parent                           | 12   |   |                            | (16,186)          |                            |                | (16,186) | -                         | (16,186)     |
| Dividends paid to non-controlling interests                          |      |   |                            |                   |                            |                | -        | (72)                      | (72)         |
| Share-based payment transactions                                     |      |   | 66                         |                   |                            |                | 66       | -                         | 66           |
| Transfer to retained earnings  |      |   |                            | (1,297)           | 1,297                      |                | -        | -                         | -            |
| Changes in equity by purchase of shares of consolidated subsidiaries |      |   | (263)                      |                   |                            |                | (263)    | (421)                     | (684)        |
| Other  |      |   | 7                          | (8)               |                            | 1              | -        | (82)                      | (82)         |
| Balance at June 30, 2019   |      | 87,784  | 118,124                    | 886,154           | (97,960)                   | (45,301)       | 948,801  | 22,138                    | 970,939      |

For the three months ended June 30, 2020

(Yen in millions)

|   | Note | Total equity attributable to owners of the parent |                            |                   |                            |                |          | Non-controlling interests | Total equity |
|---|------|---|----------------------------|-------------------|----------------------------|----------------|----------|---------------------------|--------------|
|   |      | Common Stock                                      | Additional paid-in capital | Retained earnings | Other components of equity | Treasury stock | Total    |                           |              |
| Balance at April 1, 2020                                |      | 87,784  | 114,754                    | 924,668           | (115,791)                  | (63,750)       | 947,665  | 20,343                    | 968,008      |
| Comprehensive income                                    |      |   |                            |                   |                            |                |          |                           |              |
| Profit for the period                                   |      |   |                            | 20,284            |                            |                | 20,284   | 329                       | 20,613       |
| Other comprehensive income                              |      |   |                            |                   | (15)                       |                | (15)     | 50                        | 35           |
| Total comprehensive income                              |      |   |                            |                   |                            |                | 20,269   | 379                       | 20,648       |
| Transactions with owners directly recognized in equity: |      |   |                            |                   |                            |                |          |                           |              |
| Purchase of treasury stock                              |      |   |                            |                   |                            | (103)          | (103)    | -                         | (103)        |
| Dividends paid to the owners of the parent              | 12   |   |                            | (17,573)          |                            |                | (17,573) | -                         | (17,573)     |
| Dividends paid to non-controlling interests             |      |   |                            |                   |                            |                | -        | (38)                      | (38)         |
| Share-based payment transactions                        |      |   | 21                         |                   |                            |                | 21       | -                         | 21           |
| Transfer to retained earnings                           |      |   |                            | 1,661             | (1,661)                    |                | -        | -                         | -            |
| Other   |      |   |                            | (137)             |                            | 5              | (132)    | (19)                      | (151)        |
| Balance at June 30, 2020                                |      | 87,784  | 114,775                    | 928,903           | (117,467)                  | (63,848)       | 950,147  | 20,665                    | 970,812      |

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Yen in millions)

|   | Note | For the three months ended June 30, |          |
|---|------|-------------------------------------|----------|
|   |      | 2019                                | 2020     |
| Cash flows from operating activities:   |      |                                     |          |
| Profit for the period from continuing operations  |      | 23,677                              | 20,687   |
| Profit (loss) for the period from discontinued operations                                   | 6    | (19,781)                            | (74)     |
| Profit for the period   |      | 3,896                               | 20,613   |
| Adjustments to reconcile profit for the period to net cash provided by operating activities |      |                                     |          |
| Depreciation and amortization   |      | 19,315                              | 23,658   |
| Loss (gain) from sales, disposal or impairment of property, plant and equipment             |      | 755                                 | (44)     |
| Loss from sales of discontinued operations  |      | -                                   | 74       |
| Recognized loss due to measuring assets held for sale at fair value less costs to sell      |      | 18,207                              | -        |
| Financial expenses (income)   |      | (685)                               | 436      |
| Share of net loss (profit) from associate accounting using the equity method                |      | 295                                 | 171      |
| Deferred income taxes   |      | 1,813                               | 304      |
| Current income taxes  |      | 7,089                               | 6,739    |
| Foreign currency adjustments  |      | (834)                               | 497      |
| Increase (decrease) in retirement benefit liability   |      | 1,566                               | 153      |
| Decrease (increase) in accounts receivable  |      | (10,384)                            | 16,133   |
| Decrease (increase) in inventories  |      | (4,133)                             | (5,394)  |
| Increase (decrease) in accounts payable   |      | 2,012                               | (20,424) |
| Other, net  |      | 650                                 | (11,783) |
| Interests and dividends received  |      | 2,424                               | 1,010    |
| Interests paid  |      | (1,384)                             | (1,101)  |
| Income taxes paid   |      | (7,879)                             | (8,607)  |
| Net cash provided by operating activities   |      | 32,723                              | 22,435   |

(Yen in millions)

|  | Note | For the three months ended June 30, |          |
|--|------|-------------------------------------|----------|
|  |      | 2019                                | 2020     |
| Cash flows from investing activities:                        |      |                                     |          |
| Additions to property, plant and equipment                   |      | (39,296)                            | (25,497) |
| Proceeds from sales of property, plant and equipment         |      | 165                                 | 359      |
| Additions to intangible assets                               |      | (2,095)                             | (3,994)  |
| Proceeds from sales of discontinued operations               |      | -                                   | 2,717    |
| Acquisitions of business, net of cash acquired               |      | -                                   | (2,531)  |
| Other, net   |      | (1,434)                             | 1,299    |
| Net cash used in investing activities                        |      | (42,660)                            | (27,647) |
| Cash flows from financing activities:                        |      |                                     |          |
| Increase (decrease) in short term borrowings                 |      | 30,251                              | 6,703    |
| Proceeds from issuance of long term debt                     |      | 55                                  | -        |
| Repayments of long term debt                                 |      | (2,104)                             | (1,980)  |
| Proceeds from issuance of bonds                              |      | -                                   | 50,000   |
| Redemption of bonds  |      | -                                   | (50,000) |
| Purchase of treasury stock                                   |      | (5)                                 | (103)    |
| Dividends paid to the owners of the parent                   | 12   | (16,186)                            | (17,573) |
| Other, net   |      | (528)                               | (105)    |
| Net cash (used in) provided by financing activities          |      | 11,483                              | (13,058) |
| Effect of exchange rate changes on cash and cash equivalents |      | (8,789)                             | (2,980)  |
| Net increase (decrease) in cash and cash equivalents         |      | (7,243)                             | (21,250) |
| Cash and cash equivalents at beginning of period             |      | 242,267                             | 206,986  |
| Cash and cash equivalents at end of period                   |      | 235,024                             | 185,736  |

## **Notes to Condensed Quarterly Consolidated Financial Statements**

### **1. Reporting entity**

Nidec Corporation (the “Company”) is a corporation located in Japan, whose shares are listed on the Tokyo Stock Exchange.

The registered addresses of headquarters and principal business offices are available on the Company’s website (<https://www.nidec.com/en/>).

Condensed quarterly consolidated financial statements as of June 30, 2020 and for the three months then ended consist of the Company and its consolidated subsidiaries (“NIDEC”) and interests in associates of NIDEC.

NIDEC mainly designs, develops, produces and sells products as described below:

- 1) Small precision motors, which include spindle motors for hard disk drives, brushless motors, fan motors, vibration motors, brush motors and motor applications.
- 2) Automotive products, which include automotive motors and components.
- 3) Appliance, commercial and industrial products, which include home appliance, commercial and industrial motors and related products.
- 4) Machinery, which includes industrial robots, card readers, test systems, press machines and power transmission drives.
- 5) Electronic and optical components, which include switches, trimmer potentiometers, lens units and camera shutters.
- 6) Others, which include services.

### **2. Basis of preparation**

#### (1) Compliance with International Financial Reporting Standards (IFRS)

The condensed quarterly consolidated financial statements of NIDEC have been prepared in accordance with IAS 34 “Interim Financial Reporting” pursuant to the provision of Article 93 of the Regulations for Quarterly Consolidated Financial Statements, as the Company meets the criteria of a “Designated IFRS Specified Company” defined in Article 1-2 of the Regulations.

The condensed quarterly consolidated financial statements do not include all the information that must be disclosed in the annual consolidated financial statements, and therefore should be used in conjunction with the consolidated financial statements for the year ended March 31, 2020.

#### (2) Basis of measurement

The condensed quarterly consolidated financial statements have been prepared on a historical cost basis, except for some assets and liabilities, including derivative and other financial instruments measured at fair value.

#### (3) Presentation currency and level of rounding

The condensed quarterly consolidated financial statements are presented in Japanese Yen, which is also the Company’s functional currency, and figures are rounded to the nearest million yen, unless otherwise indicated.

### **3. Significant accounting policies**

Significant accounting policies adopted in preparation of the condensed quarterly consolidated financial statements are consistent with those used in the preparation of NIDEC's consolidated financial statements for the year ended March 31, 2020.

Income taxes for the three months ended June 30, 2020 are computed using the estimated annual effective tax rate.

### **4. Significant accounting estimates, judgments and assumptions**

The preparation of the condensed quarterly consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of income and expenses during the reporting period. Actual results may differ from those estimates.

The estimates and the assumptions are reviewed on an ongoing basis, and the effects resulting from the revisions of accounting estimates are recognized in the period in which the estimates are revised and in future periods.

Significant accounting estimates and judgments that accompany estimates for the condensed quarterly consolidated financial statements as of June 30, 2020 are same as those estimates and judgments for the consolidated financial statements for the year ended March 31, 2020.

The global epidemic of COVID-19, which occurred in the latter half of the fiscal year ended March 31, 2020, is affecting NIDEC's businesses and supply chain functions. However, it seems that it will take some time until the negative effects of COVID-19 disappear. The accounting estimates are based on the assumption that these effects will continue for a period of time until the spread of COVID-19 has subsided.

## 5. Segment information

(Operating segment information)

The operating segments reported below are defined as components of NIDEC about which separate financial information is available that is evaluated regularly by management in deciding how to allocate resources and in assessing performance. Business units and domestic group companies that are currently profit management units of NIDEC are identified as its reportable segments.

NIDEC has changed its operating segment classification in the three months ended June 30, 2020. This was due to review of the report materials by NIDEC's chief operating decision maker in order to focus on profitability of each business units and domestic group companies about performance management of each consolidated subsidiary with the continuous increase in consolidated subsidiaries such as Embraco and Nidec Mobility Corporation.

All prior period segment information has been reclassified in accordance with current period presentation.

NIDEC's operating segments are as follows:

| Name                  | Main products  |
|-----------------------|--|
| 1. SPMS               | Hard disk drives spindle motors and other small precision motors                               |
| 2. AMEC               | Automotive products  |
| 3. ACIM               | Appliance, commercial and industrial products  |
| 4. Nidec Sankyo       | Machinery, automotive products, electronic components and other small precision motors         |
| 5. Nidec Techno Motor | Appliance, commercial and industrial products  |
| 6. Nidec Mobility     | Automotive products  |
| 7. Nidec Shimpo       | Machinery  |
| 8. Others             | Automotive products, machinery, electronic components, other small precision motors and others |

The following tables show net sales to external customers and other financial information by operating segment:

Net sales to external customers :

*(Yen in millions)*

|                        | For the three months ended June 30, |         |
|------------------------|-------------------------------------|---------|
|                        | 2019                                | 2020    |
| SPMS                   | 84,950                              | 86,937  |
| AMEC                   | 49,944                              | 26,907  |
| ACIM                   | 100,139                             | 109,646 |
| Nidec Sankyo           | 35,003                              | 28,535  |
| Nidec Techno Motor     | 22,870                              | 15,213  |
| Nidec Mobility         | -                                   | 13,896  |
| Nidec Shimpo           | 18,614                              | 15,145  |
| Others                 | 49,354                              | 40,597  |
| Consolidated net sales | 360,874                             | 336,876 |

(Note) The above amounts no longer include discontinued operations.

Net sales to other operating segments:

*(Yen in millions)*

|                          | For the three months ended June 30, |          |
|--------------------------|-------------------------------------|----------|
|                          | 2019                                | 2020     |
| SPMS                     | 2,022                               | 492      |
| AMEC                     | 370                                 | 294      |
| ACIM                     | 121                                 | 68       |
| Nidec Sankyo             | 1,988                               | 686      |
| Nidec Techno Motor       | 1,195                               | 1,148    |
| Nidec Mobility           | -                                   | 10       |
| Nidec Shimpo             | 275                                 | 1,868    |
| Others                   | 14,247                              | 8,233    |
| Total                    | 20,218                              | 12,799   |
| Intersegment elimination | (20,218)                            | (12,799) |
| Consolidated net sales   | -                                   | -        |

(Note) The above amounts no longer include discontinued operations.

Segment profit/loss:*(Yen in millions)*

|  | For the three months ended June 30, |         |
|--|-------------------------------------|---------|
|  | 2019                                | 2020    |
| SPMS   | 7,967                               | 13,392  |
| AMEC   | 3,417                               | (1,632) |
| ACIM   | 5,366                               | 6,554   |
| Nidec Sankyo   | 2,476                               | 1,956   |
| Nidec Techno Motor   | 3,309                               | 2,410   |
| Nidec Mobility   | -                                   | 127     |
| Nidec Shimpo   | 2,634                               | 2,113   |
| Others   | 7,419                               | 6,170   |
| Total  | 32,588                              | 31,090  |
| Elimination and Corporate (Note)   | (4,956)                             | (2,978) |
| Operating profit   | 27,632                              | 28,112  |
| Financial income (expenses)  | 690                                 | (254)   |
| Derivative gain (loss)   | (1,054)                             | (165)   |
| Foreign exchange differences   | 3,962                               | 208     |
| Share of net profit (loss) from associate accounting using the equity method | (295)                               | (171)   |
| Profit before income taxes   | 30,935                              | 27,730  |

(Notes) 1. "Elimination and Corporate" includes corporate expenses, which do not belong to any operating segment, of ¥3,071 million and ¥4,666 million for the three months ended June 30, 2020 and 2019, respectively. The corporate expenses include basic research expenses and head office expenses.

2. The above amounts no longer include discontinued operations.

(Supplemental Information)

Net sales by type of product are as follows:

As noted in “6. Discontinued operations,” from the three months ended June 30, 2019, the business of compressor for refrigerator of Secop has been classified as discontinued operations.

Net sales by type of product

*(Yen in millions)*

|   | For the three months ended June 30, |         |
|---|-------------------------------------|---------|
|   | 2019                                | 2020    |
| Small precision motors:                       |                                     |         |
| Hard disk drives spindle motors               | 38,008                              | 37,043  |
| Other small precision motors                  | 69,998                              | 67,375  |
| Subtotal                                      | 108,006                             | 104,418 |
| Automotive products                           | 75,488                              | 56,797  |
| Appliance, commercial and industrial products | 123,009                             | 125,096 |
| Machinery                                     | 38,086                              | 35,729  |
| Electronic and optical components             | 15,170                              | 14,086  |
| Other products                                | 1,115                               | 750     |
| Consolidated net sales                        | 360,874                             | 336,876 |

(Notes) 1. “Small precision motors” consists of “hard disk drives spindle motors” and “other small precision motors”. “Other small precision motors” consists of brushless motors, fan motors, vibration motors, brush motors, motor and applications, etc.

“Automotive products” consists of automotive motors and components.

“Appliance, commercial and industrial products” consists of home appliance, commercial and industrial motors and related products.

“Machinery” consists of industrial robots, card readers, test systems, press machines and power transmission drives, etc.

“Electronic and optical components” consists of switches, trimmer potentiometers, lens units and camera shutters, etc.

“Other products” consists of services, etc.

2. The above amounts no longer include discontinued operations.

## 6. Discontinued Operations

NIDEC was ordered sales of the business of compressor for refrigerator of Secop as the condition of acquisition of the compressor business (“Embraco”) of Whirlpool Corporation by European Commission. In accordance with this order, on April 12, 2019, NIDEC conferred effective operational control over Secop on a Hold Separate Manager and a Monitoring Trustee. As a result, NIDEC excluded Secop from consolidation and classified the loss related to this as discontinued operations on consolidated statements of income. NIDEC sold Secop to ESSVP IV L.P., ESSVP IV (Structured) L.P., and Silenos GmbH & Co. KG (collectively “ESSVP IV”), advised by Orlando Management AG (the “Transaction”) on September 9, 2019. Some costs to sell will occur in the future.

### (1) Main reason for the Transaction

NIDEC is actively moving forward with the development of new growth platforms with particular emphasis on appliance, commercial and industrial motors and solutions. As Secop develops, manufactures and sells products of compressors for consumer and commercial type refrigerators, from the acquisition of Secop in 2017, NIDEC’s appliance motor business in Global Appliance Division has expanded further into the refrigeration market. However, on April 12, 2019, NIDEC acquired a conditional approval of the European Commission in connection with NIDEC’s acquisition of Embraco from Whirlpool Corporation and NIDEC decided to sell Secop. In addition, NIDEC acquired an approval of the European Commission that ESSVP IV is the appropriate purchaser of Secop and acquired the European Commission’s approval of the acquisition of Embraco on June 26, 2019. The Transaction was made following NIDEC’s commitment to the European Commission to sell Secop to a suitable purchaser as a condition for the European Commission’s approval.

### (2) Name of the transferee company and date of the Transaction

|                                |                   |
|--------------------------------|-------------------|
| Name of the transferee company | ESSVP IV          |
| Date of the Transaction        | September 9, 2019 |

### (3) Name of the company to be transferred, major business and name of operating segment

|                           |                                      |
|---------------------------|--------------------------------------|
| Name of the company       | Secop                                |
| Major business            | Compressor business for refrigerator |
| Name of operating segment | ACIM                                 |

(Note) NIDEC has changed its operating segment classification in the three months ended June 30, 2020 and the name of operating segment in accordance with this change.

### (4) Transition of ownership ratio for the company

|                                     |      |
|-------------------------------------|------|
| Ownership ratio before the transfer | 100% |
| Transferred ownership ratio         | 100% |
| Ownership ratio after the transfer  | -    |

## (5) Profit (loss) for the period from discontinued operations

*(Yen in millions)*

|   | For the three months ended June 30, |      |
|---|-------------------------------------|------|
|   | 2019                                | 2020 |
| Net Sales   | 1,143                               | -    |
| Recognized loss due to measuring assets held for sale at fair value less costs                                  | (18,207)                            | -    |
| Other loss  | (1,075)                             | (74) |
| Loss before income taxes from discontinued operations   | (18,139)                            | (74) |
| Income tax expenses   | (1,501)                             | -    |
| Recognized loss due to measuring assets held for sale at fair value less costs and amounts related to the sales | (141)                               | -    |
| Total income tax expenses   | (1,642)                             | -    |
| Loss for the period from discontinued operations  | (19,781)                            | (74) |

|   | For the year ended March 31, 2020 |
|---|-----------------------------------|
| Net Sales   | 1,143                             |
| Recognized loss due to measuring assets held for sale at fair value less costs                                  | (14,167)                          |
| Other loss  | (1,075)                           |
| Loss before income taxes from discontinued operations   | (14,099)                          |
| Income tax expenses   | (1,501)                           |
| Recognized loss due to measuring assets held for sale at fair value less costs and amounts related to the sales | (107)                             |
| Total income tax expenses   | (1,608)                           |
| Loss for the period from discontinued operations  | (15,707)                          |

(Notes)1. On April 12, 2019, Secop was excluded from consolidation due to loss of control.

2. Various conditions for sales of Secop are based on the forecasts as of June 30, 2020, therefore the final loss amount on the sales may change in the future due to the purchase price adjustment and other factors.

(6) Cash flows from the discontinued operations

*(Yen in millions)*

|   | For the three months ended June 30, |       |
|---|-------------------------------------|-------|
|   | 2019                                | 2020  |
| Net cash provided (used in) by operating activities | (0)                                 | -     |
| Net cash (used in) provided by investing activities | -                                   | 2,717 |
| Net cash used in financing activities               | -                                   | -     |
| Total   | (0)                                 | 2,717 |

|   | For the year ended March 31, 2020 |
|---|-----------------------------------|
| Net cash provided (used in) by operating activities | (0)                               |
| Net cash (used in) provided by investing activities | 5,065                             |
| Net cash used in financing activities               | -                                 |
| Total   | 5,065                             |

(Notes)1. On April 12, 2019, Secop was excluded from consolidation due to loss of control.

2. Net cash provided by investing activities for the three months ended June 30, 2020 includes net cash related to sales of Secop as of June 30, 2020.

## 7. Business combinations

On June 1, 2020, NIDEC has acquired the Delta production line from Secop Austria GmbH for cash of ¥2,531 million. As the result of the transaction, NIDEC takes over approximately 40 employees who were engaged in the Delta compressor business and works further to strengthen its refrigerator compressor business. This acquisition did not have a material impact on NIDEC's consolidated financial position and results of operations.

### Purchase price allocation to the assets and the liabilities

During the three months ended June 30, 2020, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of the compressor business ("Embraco") and Roboteq, Inc. in the previous fiscal year. In addition, NIDEC partly completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of OMRON Automotive Electronics Co. Ltd. (currently, "Nidec Mobility Corporation") in the previous fiscal year. NIDEC's consolidated financial statements for the year ended March 31, 2020 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination. The amounts might change due to future price adjustment.

Effect on the consolidated statement of financial position as of March 31, 2020 by the amendments of assets acquired and liabilities assumed upon the acquisitions in the previous fiscal year is as follows:

(Yen in millions)

|  | Embraco  | Nidec Mobility Corporation | Others |
|--|----------|----------------------------|--------|
| Current assets   |          |                            |        |
| Trade and other receivables  | 67       | -                          | -      |
| Other current assets   | (141)    | -                          | -      |
| Other non-current assets   |          |                            |        |
| Property, plant and equipment                                      | (2,120)  | (528)                      | -      |
| Intangible assets  | 37,351   | -                          | 722    |
| Deferred tax assets  | 1,304    | 92                         | -      |
| Acquired assets at fair value                                      | 36,461   | (436)                      | 722    |
| Current liabilities  |          |                            |        |
| Long term debt due within one year                                 | -        | (168)                      | -      |
| Provisions   | (7)      | -                          | -      |
| Other current liabilities  | 256      | -                          | -      |
| Non-current liabilities  |          |                            |        |
| Long term debt   | -        | (371)                      | -      |
| Retirement benefit liabilities                                     | -        | 376                        | -      |
| Deferred tax liabilities   | 5,121    | -                          | 158    |
| Assumed liabilities at fair value                                  | 5,370    | (163)                      | 158    |
| Acquired assets and assumed liabilities at fair value (net amount) | 31,091   | (273)                      | 564    |
| Goodwill   | (32,178) | (615)                      | (571)  |

For further information on the changes in goodwill, refer to “8. Goodwill and intangible assets”. Details of the intangible assets in above table are as follows:

*(Yen in millions)*

|                        | Weighted average amortization period | Embraco | Others |
|------------------------|--------------------------------------|---------|--------|
| Trademark              | No amortization                      | 21,657  | 367    |
| Customer relationships | 25 years                             | 15,835  | 355    |
| Others                 | -                                    | (141)   | -      |

Effect on the consolidated statement of income for the year ended March 31, 2020 by the amendments of assets acquired and liabilities assumed upon the acquisitions in the previous fiscal year is as follows:

*(Yen in millions)*

|  | Embraco | Nidec Mobility Corporation | Others |
|--|---------|----------------------------|--------|
| Operating profit   | (391)   | (758)                      | (90)   |
| Profit before income taxes                               | (391)   | (755)                      | (90)   |
| Profit for the year attributable to owners of the parent | (410)   | (777)                      | (63)   |

Of the assets acquired and the liabilities assumed upon the acquisitions of companies in the year ended March 31, 2020 and three months ended June 30, 2020, the assets and liabilities which are currently under evaluation have been recorded on NIDEC’s consolidated statement of financial position based on preliminary management estimation as of June 30, 2020.

## 8. Goodwill and intangible assets

Changes in the carrying amounts of goodwill are as follows:

(Yen in millions)

|  | For the three months ended June 30, |         |
|--|-------------------------------------|---------|
|  | 2019                                | 2020    |
| Balance at beginning of period             |                                     |         |
| Goodwill                                   | 250,940                             | 322,909 |
| Acquisitions through business combinations | -                                   | -       |
| Sales or disposals                         | (9,946)                             | -       |
| Translation adjustments and others         | (5,948)                             | (1,996) |
| Balance at end of period                   |                                     |         |
| Goodwill                                   | 235,046                             | 320,913 |

Intangible assets subject to amortization are as follows:

(Yen in millions)

|                               | As of March 31, 2020   |                          |                  |
|-------------------------------|------------------------|--------------------------|------------------|
|                               | Gross carrying amounts | Accumulated amortization | Carrying amounts |
| Customer relationships        | 100,221                | (28,069)                 | 72,152           |
| Proprietary technology        | 17,390                 | (5,894)                  | 11,496           |
| Software                      | 33,363                 | (19,466)                 | 13,897           |
| Capitalized development costs | 21,131                 | (2,015)                  | 19,116           |
| Others                        | 7,356                  | (4,200)                  | 3,156            |
| Total                         | 179,461                | (59,644)                 | 119,817          |

(Note) The carrying amounts of software include the right-of-use assets of ¥366 million.

(Yen in millions)

|                               | As of June 30, 2020    |                          |                  |
|-------------------------------|------------------------|--------------------------|------------------|
|                               | Gross carrying amounts | Accumulated amortization | Carrying amounts |
| Customer relationships        | 99,370                 | (28,767)                 | 70,603           |
| Proprietary technology        | 17,493                 | (6,212)                  | 11,281           |
| Software                      | 31,214                 | (18,960)                 | 12,254           |
| Capitalized development costs | 25,806                 | (3,488)                  | 22,318           |
| Others                        | 7,668                  | (4,273)                  | 3,395            |
| Total                         | 181,551                | (61,700)                 | 119,851          |

(Note) The carrying amounts of software include the right-of-use assets of ¥629 million.

Total amortization of intangible assets for the year ended March 31, 2020 and for the three months ended June 30, 2020 amounted to ¥11,630 million and ¥2,994 million, respectively. Total indefinite lived intangible assets amounted to ¥57,573 million and ¥57,096 million as of March 31, 2020 and June 30, 2020, respectively.

## 9. Bonds

For the three months ended June 30, 2019

There are no issuance and redemption of bonds.

For the three months ended June 30, 2020

Summary of the terms of issued bonds is as follows:

| Company name      | Description                                    | Issued date   | Total amount of issuance<br>(Yen in millions) | Interest rate(%) | Maturity date |
|-------------------|--|---------------|---|------------------|---------------|
| Nidec Corporation | The Twelfth Series of Domestic Unsecured Bonds | June 10, 2020 | 50,000  | 0.030            | June 9, 2023  |

Summary of the terms of redeemed bonds is as follows:

| Company name      | Description                                  | Issued date  | Total amount of issuance<br>(Yen in millions) | Interest rate(%) | Maturity date |
|-------------------|--|--------------|---|------------------|---------------|
| Nidec Corporation | The Sixth Series of Domestic Unsecured Bonds | May 26, 2017 | 50,000  | 0.001            | May 26, 2020  |

## 10. Employee benefits

The amounts of net periodic benefit cost in pension and severance plans for the three months ended June 30, 2019 and 2020 are as follows:

*(Yen in millions)*

|  | For the three months ended June 30, |       |
|--|-------------------------------------|-------|
|  | 2019                                | 2020  |
| Net periodic pension cost for defined benefit plans: |                                     |       |
| Current service cost                                 | 928                                 | 891   |
| Interest cost (net)                                  | 165                                 | 132   |
| Net periodic pension cost for defined benefit plans  | 1,093                               | 1,023 |
| Payments to defined contribution pension plans       | 802                                 | 806   |

## 11. Related party transactions

Transactions with related parties for the three months ended June 30, 2019 and 2020 are as follows:

### Sales of goods and services

(Yen in millions)

|  | For the three months ended June 30, |      |
|--|-------------------------------------|------|
|  | 2019                                | 2020 |
| Related parties                          |                                     |      |
| S.N. Kosan, LLC.*1                       | -                                   | -    |
| Nagamori Foundation*2                    | 3                                   | 3    |
| Nagamori Gakuen Educational Foundation*3 | 13                                  | 18   |

(Notes) \*1. NIDEC's directors and other officers, and their close relatives own a majority of voting rights of S.N. Kosan, LLC.

\*2. A director of NIDEC concurrently serves as president of Nagamori Foundation.

\*3. A director of NIDEC concurrently serves as chairman of the board of trustees of Nagamori Gakuen Educational Foundation.

Sales of goods and services to related parties are entered into on terms consistent with third-party transactions and considering market prices.

### Purchase of goods and services

(Yen in millions)

|                  | For the three months ended June 30, |      |
|------------------|-------------------------------------|------|
|                  | 2019                                | 2020 |
| Related parties  |                                     |      |
| S.N. Kosan, LLC. | 3                                   | 3    |

Purchase of goods and services from related parties are entered into on terms consistent with third-party transactions and considering market prices.

### Outstanding balances arising from sales and purchases of goods and services

(Yen in millions)

|  | March 31, 2020 | June 30, 2020 |
|--|----------------|---------------|
| Receivables from related parties       |                |               |
| S.N. Kosan, LLC.                       | 1              | 1             |
| Nagamori Foundation                    | 0              | 0             |
| Nagamori Gakuen Educational Foundation | 5              | 6             |
| Payables to related parties            |                |               |
| S.N. Kosan, LLC.                       | -              | -             |

No expected credit loss allowance for receivables from related parties was recognized at March 31, 2020 and June 30, 2020. In addition, there were no expenses recognized during the years ended March 31, 2020 and the three months ended June 30, 2020 in respect of receivables from related parties.

## 12. Dividends

Dividends declared and paid to the ordinary shareholders are as follows:

For the three months ended June 30, 2019

| Resolution date                    | Class of shares | Total amount of dividends (Yen in millions) | Dividends per share (Yen) | Record date    | Effective date |
|------------------------------------|-----------------|---|---------------------------|----------------|----------------|
| May 24, 2019<br>Board of directors | Ordinary shares | 16,191                                      | 55                        | March 31, 2019 | June 3, 2019   |

(Note) Total dividends resolved at the board of directors on May 24, 2019 included dividends of ¥4 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

For the three months ended June 30, 2020

| Resolution date                    | Class of shares | Total amount of dividends (Yen in millions) | Dividends per share (Yen) | Record date    | Effective date |
|------------------------------------|-----------------|---|---------------------------|----------------|----------------|
| May 25, 2020<br>Board of directors | Ordinary shares | 17,577                                      | 60                        | March 31, 2020 | June 1, 2020   |

(Notes) 1. Total dividends resolved at the board of directors on May 25, 2020 included dividends of ¥5 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

2. NIDEC implemented a two-for-one stock split of our common stock effective April 1, 2020. However, Dividends per share have not been retroactively adjusted and are shown on a pre-stock split basis.

### 13. Earnings per share

The basis for calculating earnings per share attributable to owners of the parent - basic is as follows:

“Earnings per share attributable to owners of the parent - diluted” are not presented because there were no securities with dilutive effect outstanding.

|  | For the three months ended June 30, |             |
|--|-------------------------------------|-------------|
|  | 2019                                | 2020        |
| Profit attributable to owners of the parent (Yen in millions)                            | 3,284                               | 20,284      |
| Profit from continuing operations attributable to owners of the parent (Yen in millions) | 23,065                              | 20,358      |
| Loss from discontinued operations attributable to owners of the parent (Yen in millions) | (19,781)                            | (74)        |
| Weighted average shares (Shares)   | 588,587,344                         | 585,733,720 |
| Earnings per share attributable to owners of the parent - basic (Yen)                    | 5.58                                | 34.63       |
| Earnings per share from continuing operations (Yen)                                      | 39.19                               | 34.76       |
| Earnings (loss) per share from discontinued operations (Yen)                             | (33.61)                             | (0.13)      |

(Notes) 1. In the calculation of “Earnings per share attributable to owners of the parent - basic”, the Company’s shares owned by the BIP Trust and the ESOP Trust are included in treasury stock. Therefore, the number of those shares is deducted from calculating the number of “Weighted average shares”.

2. NIDEC implemented a two-for-one common stock split, effective April 1, 2020. Earnings per share was calculated on the assumption that the relevant stock split had been implemented at the beginning of the previous fiscal year ended March 31, 2019.

## 14. Fair values

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The levels of the fair value hierarchy are as follows:

- Level 1: Quoted prices for identical assets or liabilities in active markets;
- Level 2: Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, inputs that are corroborated by observable market data by correlation or other means; and
- Level 3: Unobservable inputs for the asset or liability.

For recurring fair value measurements of assets and liabilities, NIDEC reviews whether there are transfers between levels of the fair value hierarchy at the end of the period by reassessing the level to be applied to the asset or liability for measuring its fair value.

### Fair values of financial instruments measured at amortized cost

*(Yen in millions)*

|   | As of March 31, 2020 |            | As of June 30, 2020 |            |
|---|----------------------|------------|---------------------|------------|
|   | Carrying amount      | Fair value | Carrying amount     | Fair value |
| Short term investments  | 184                  | 184        | 75                  | 75         |
| Long term investments   | 26                   | 24         | 31                  | 31         |
| Short term loans receivable   | 26                   | 26         | 28                  | 28         |
| Long term loans receivable  | 151                  | 149        | 150                 | 150        |
| Short term borrowings   | (116,954)            | (116,954)  | (123,716)           | (123,716)  |
| Long term debt (including long term debt due within one year and excluding the lease liabilities and corporate bonds) | (84,155)             | (84,285)   | (83,674)            | (83,810)   |
| Corporate bonds (including corporate bonds due within one year)   | (370,675)            | (369,568)  | (370,810)           | (370,698)  |

The following are explanatory notes relating to fair value estimation of the financial instruments.

#### (1) Short term investments, short term loans receivable and short term borrowings

In the normal course of business, substantially all short term investments (time deposits), short term loans receivable and short term borrowings are highly liquid and are carried at amounts that approximate their fair values.

#### (2) Long term investments

NIDEC's long term investments are mainly trust funding which is contributed for the performance-linked share-based compensation plan and are classified as Level 2. The fair value of long term investments is estimated by discounting expected future cash flows to their present values.

#### (3) Long term loans receivable

The fair value of long term loans receivable is estimated by discounting expected future cash flows to their present values and classified as Level 2.

#### (4) Long term debt

The fair value of long term debt (including long term debt due within one year and excluding the lease liabilities and corporate bonds) is estimated based on the present value of future repayment amounts by discounting at NIDEC's expected incremental borrowing rates for similar liabilities and classified as Level 2.

#### (5) Corporate bonds

The fair value of bonds issued by NIDEC (including corporate bonds due within one year) is estimated based on the quoted market price for the NIDEC's bonds in markets that are not active and classified as Level 2.

The fair values of “cash and cash equivalents”, “trade and other receivables” and “trade and other payables” approximate their carrying amounts because of the short maturity of these instruments. Therefore, the table described above excludes these financial instruments.

Breakdown of financial instruments measured at fair value on a recurring basis by levels of the fair value hierarchy

The following is an analysis of financial instruments measured at fair value after they are initially recognized.

The breakdown of financial assets and financial liabilities categorized by the levels of the fair value hierarchy used in the analysis is as follows:

As of March 31, 2020

*(Yen in millions)*

|   | Level 1 | Level 2 | Level 3 | Total  |
|---|---------|---------|---------|--------|
| Assets  |         |         |         |        |
| Marketable securities and other investment securities |         |         |         |        |
| FVTOCI equity financial assets                        | 12,870  | -       | 1,536   | 14,406 |
| FVTOCI debt financial assets                          | -       | 73      | -       | 73     |
| Derivatives   | 20      | 2,177   | -       | 2,197  |
| Total financial assets                                | 12,890  | 2,250   | 1,536   | 16,676 |
| Liabilities   |         |         |         |        |
| Derivatives   | 2,167   | 7,845   | -       | 10,012 |
| Total financial liabilities                           | 2,167   | 7,845   | -       | 10,012 |

(Note) There were no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2020

As of June 30, 2020

*(Yen in millions)*

|   | Level 1 | Level 2 | Level 3 | Total  |
|---|---------|---------|---------|--------|
| Assets  |         |         |         |        |
| Marketable securities and other investment securities |         |         |         |        |
| FVTOCI equity financial assets                        | 13,289  | -       | 1,529   | 14,818 |
| FVTOCI debt financial assets                          | -       | 77      | -       | 77     |
| Derivatives   | 444     | 2,412   | -       | 2,856  |
| Total financial assets                                | 13,733  | 2,489   | 1,529   | 17,751 |
| Liabilities   |         |         |         |        |
| Derivatives   | 34      | 4,906   | -       | 4,940  |
| Total financial liabilities                           | 34      | 4,906   | -       | 4,940  |

(Note) There were no transfers between Level 1, Level 2 and Level 3 during the three months ended June 30, 2020.

Level 1 securities and derivatives including commodity futures are valued using an unadjusted quoted market price in active markets with sufficient volume and frequency of transactions.

Level 2 securities are valued using non-active market prices for identical assets. Level 2 derivatives including foreign exchange forward contracts are valued using quotes obtained from counterparties or third parties, which are periodically validated by pricing models using observable market inputs, such as foreign currency exchange rates and interest rates.

Level 3 securities are composed mainly of unlisted shares. Fair values of those unlisted shares are calculated by discounted cash flow method, etc. For securities of level 3, no significant changes in fair value are expected to occur as a result of changing unobservable inputs to other alternative assumptions that are considered reasonable.

The reconciliation of financial instruments categorized as Level 3 is as follows:

*(Yen in millions)*

|   | For the three months ended June 30, |       |
|---|-------------------------------------|-------|
|   | 2019                                | 2020  |
| Balance at beginning of period                  | 1,672                               | 1,536 |
| Gains or losses:                                |                                     |       |
| Recognized in other comprehensive income (Note) | (15)                                | (7)   |
| Balance at end of period                        | 1,657                               | 1,529 |

(Note) Those are included in “fair value movements on FVTOCI equity financial assets” and “foreign currency translation adjustments” in the condensed quarterly consolidated statements of other comprehensive income.

## 15. Commitments

Commitments for expenditures after the closing date are as follows:

*(Yen in millions)*

|  | As of March 31, 2020 | As of June 30, 2020 |
|--|----------------------|---------------------|
| Property, plant and equipment and other assets | 25,118               | 23,686              |

## 16. Authorization of condensed quarterly consolidated financial statements

NIDEC’s condensed quarterly consolidated financial statements were authorized for issue on August 7, 2020 by Shigenobu Nagamori, Representative Director, Chairman and Chief Executive Officer and Hidetoshi Yokota, Vice President, in charge of managing Accounting Department and Global Tax Planning Department.

## 2. Other

On May 25, 2020, the Company’s Board of Directors resolved to pay cash dividends to shareholders as of March 31, 2020 as follows:

- (1) Total amount of dividends: .....¥17,577 million
- (2) Amount per share: .....¥60.00
- (3) Effective date of claim of payment and start date of payment: .....June 1, 2020

(Note) NIDEC implemented a two-for-one stock split of our common stock effective April 1, 2020. However, Dividends per share have not been retroactively adjusted and are shown on a pre-stock split basis.

## **Part II Information on Guarantors, etc. for the Company**

Not applicable.